

Message Text

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11

ACTION NEA-10

INFO OCT-01 AF-10 IO-10 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02

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R 261030Z DEC 74

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 1017

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY RABAT

AMEMBASSY SANAA

AMEMBASSY TEL AVIV

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

USMISSION USUN NEW YORK

UNCLAS CAIRO 10499

BEIRUT POUCH BAGHDAD

E.O. 11652: NA

TAGS: PINT EG

SUBJECT: RECONSTRUCTION IN CANAL ZONE

SUMMARY: DURING 'ID HOLIDAY, SADAT INSPECTED CANAL
ZONE RECONSTRUCTION SITES. HE REPORTEDLY EXPRESSED
PLEASURE AT WORK DONE SO FAR AND INSTRUCTED MIN RECONSTRUCTION
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OSMAN TO INCREASE EFFORTS. IN PUBLIC ADDRESS OSMAN

PROVIDED USEFUL STATISTICS ON ACHIEVEMENTS AND PLANS.
END SUMMARY.

1. CAIRO PRESS DEC 24 REPORTED PRESIDENT SADAT HAD PREVIOUS DAY INSPECTED RECONSTRUCTION SITES IN ISMAILIA, EXPRESSED SATISFACTION AT THE GREAT ACHIEVEMENTS MADE, AND HAD ASKED MIN RECONSTRUCTION AND DEVELOPMENT OSMAN TO EXERT ALL EFFORTS AND EXPLOIT ALL POTENTIAL TO ACHIEVE FOR CANAL ZONE RESIDENTS A LIFE COMMENSURATE WITH THE SACRIFICES THEY HAVE MADE.

2. THE PRESIDENT REPORTEDLY ALSO VISITED ABU KHALIFA (KANTARA WEST), BUILT AS A MODEL VILLAGE OF 100 HOUSES IN ITS FIRST STAGE. PRESIDENT VISITED FARMERS ALREADY ESTABLISHED IN NEW HOUSES AND DELIVERED TITLE DEEDS TO 10 OF THEM.

3. OSMAN, WELCOMING SADAT TO ABU KHALIFA, SAID THIS WAS ONE OF FIVE SIMILAR VILLAGES UNDER CONSTRUCTION IN ISMAILIA AND SUEZ. "ACCORDING TO YOUR INSTRUCTIONS," OSMANN CONTINUED, GOE LAST JUNE ALLOCATED LE 100 MILLION FOR URGENT PLAN TO RECONSTRUCT THREE CANAL CITIES. "IT IS PLEASURE FOR ME TO DECLARE THAT ALLOCATION HAS BEEN TOTALLY EXPENDED..."

4. OSMAN ADDED THAT HIS MINISTRY HAS MADE FOLLOWING CONCRETE PROGRESS:

(A) CONSTRUCTION. WORK IS IN FINAL STAGES ON MORE THAN 13,000 NEW HOUSING UNITS IN THREE CITIES: ALL WILL BE READY IN 1975. DAILY USE OF REINFORCED CONCRETE TOTALS 2,000 CUBIC METERS; ASWAN DAM CONSTRUCTION ONLY REQUIRED 1,000 CUBIC METERS DAILY. RESIDENTS RETURNED TO PORT SAID GOVERNORATE TOTAL 305,000 TO ISMAILIA GOVERNORATE 320,000, AND SUEZ GOVERNORATE 220,000.

(B) REPAIR. IN THREE CITIES, REPAIRS ARE COMPLETED ON 35,000 HOUSING UNITS. MORE THAN 130,000 STUDENTS ARE CURRENTLY STUDYING IN 193 RECONSTRUCTED SCHOOLS. 226 PUBLIC BUILDINGS AND 32 HOSPITALS HAVE BEEN REPAIRED AND ARE IN SERVICE.

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(C) ROAD REPAIR. OUTSIDE URBAN AREAS OF THREE CITIES, 700,000 METERS HAVE BEEN REPAIRED.

(D) PUBLIC UTILITIES. URGENT PLAN WAS CARRIED OUT TO PROVIDE NECESSARY NEEDS AND SERVICES TO GUARANTEE RETURN TO NORMALITY WITHIN LIMITS OF AVAILABLE POTENTIAL. URGENT STEPS ARE NOW UNDERWAY TO INCREASE CAPACITY OF UTILITIES.

(E) PLANNING. MEASURES HAVE BEEN TAKEN TO SIGN CONTRACTS WITH FOREIGN AND DOMESTIC HOUSING EXPERTS TO PREPARE COMPREHENSIVE PLAN FOR THREE CITIES WHICH WILL DETERMINE FUTURE OF AREA IN FIELDS OF URBANIZATION, ECONOMY, INDUSTRY, AGRICULTURE, TOURISM AND CULTURE. ADDRESSING THE PRESIDENT, OSMAN SAID "YOU HAVE DECIDED TO ALLOCATE LE 240 MILLION IN 1975 BUDGET TO IMPLEMENT THIS PLAN." OF THIS TOTAL, 100 MILLION IS FOR HOUSING, UTILITIES AND SERVICE PROJECTS, 24 MILLION FOR INDUSTRIAL PROJECTS, 7 MILLION FOR PETROLEUM PROJECTS, 14 MILLION FOR ELECTRICAL PROJECTS, 15 MILLION TO SUPPLY CONTRACTING AGENCY WITH MODERN EQUIPMENT, AND 85 MILLION FOR TRANSPORT AND COMMUNICATIONS INCLUDING 40 MILLION FOR TUNNELS LINKING TWO BANKS AND ESTABLISHMENT OF RAILWAY NETWORK FROM PORT SAID TO ISMAILIA AND PORT TO MANSURA.

5. CONCLUDING, OSMAN EMPHASIZED TO PRESIDENT "WE PROMISE CONTINUED PROGRESS WITH FIRM STEPS TO IMPLEMENT YOUR INSTRUCTIONS FOR BENEFIT OF COUNTRY AND PEOPLE".

6. CAIRO PRESS ALSO REPORTED DEC 24 THAT SADAT PREVIOUS DAY HAD VISITED ABU RAHM VILLAGE IN ISMAILIA, WHERE HUNDREDS OF STONE BLOCK APARTMENT BUILDINGS ARE UNDER CONSTRUCTION. HOUSING UNITS THERE TOTAL 3,500, PRESIDENT REPORTEDLY EXPRESSED HIS SATISFACTION WITH PROJECT AND HIS ADMIRATION FOR PRECISION OF EXECUTION; PROJECT WAS COMPLETED IN "RECORD TIME" OF LESS THAN FOUR MONTHS. HE ASKED OSMAN TO CONTINUE PROVIDE ALL MODERN EQUIPMENT NECESSARY TO INCREASE PRODUCTION CAPACITY OF SUEZ QUARRIES SO AS TO INCREASE CONSTRUCTION IN CANAL AREA WHERE 14,000 (SIC) HOUSING UNITS FOR THREE CITIES ARE PLANNED.

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7. ON THIS OCCASION, OSMAN REPORTEDLY REMARKED THAT SIX MODEL VILLAGES ARE UNDER CONSTRUCTION ALONG THE CANAL, AND THAT FIVE YEAR PLAN DUE TO BEGIN MID-1975 PROVIDES INTER ALIA FOR BUILDING OF SADAT INDUSTRIAL CITY ON CAIRO-ISMAILIA ROAD, AL-'UBUR CITY IN KHANKA, AND HELWAN CITY. THREE NEW HIGHWAYS WILL BE COMPLETED WITHIN THREE YEARS: CAIRO TO PORT SAID VIA ISMAILIA, CAIRO-SUEZ, CAIRO-ALEXANDRIA. CONTINUING, OSMAN REPORTEDLY SAID EGYPT'S HOUSING CRISIS WOULD BE SOLVED BY 1980.

8. IN SEPARATE REPORT, CAIRO PAPERS REPORT SADAT AS HAVING ORDERED "EVACUATION ALLOWANCES" BE PAID TO RESIDENTS OF THREE CITIES AND SINAI UNTIL SUCH TIME AS CANAL IS REOPENED. EILTS

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